

**UNITY OF GREATER NEW ORLEANS, INC.**  
**AND ITS AFFILIATE,**  
**UNITY HOUSING, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND**  
**SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/24/10

**ERICKSEN KRENTEL & LA PORTE L.L.P.**

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BENJAMIN J. ERICKSEN - RETIRED  
J.V. LECLERE KRENTEL - RETIRED

## INDEPENDENT AUDITORS' REPORT

To the Governing Board of  
UNITY of Greater New Orleans, Inc.  
and UNITY Housing, Inc.

We have audited the accompanying consolidated statement of financial position of UNITY of Greater New Orleans, Inc. and its affiliate, UNITY Housing, Inc. (nonprofit corporations), as of June 30, 2009 and the related consolidated statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporations' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of UNITY Housing, Inc. were not audited in accordance with the *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of UNITY of Greater New Orleans, Inc. and its affiliate, UNITY Housing, Inc. as of June 30, 2009, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2009, on our consideration of UNITY of Greater New Orleans, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

**ERICKSEN KRENTEL & LA PORTE L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

To the Governing Board of  
UNITY of Greater New Orleans, Inc.  
and UNITY Housing, Inc.

Page 2

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of UNITY of Greater New Orleans, Inc. and its affiliate, UNITY Housing, Inc. taken as a whole. The consolidating statements of activities are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

December 3, 2009

*Erickson, Krentel & LaPorte LLP*

Certified Public Accountants

## **FINANCIAL STATEMENTS**

**UNITY OF GREATER NEW ORLEANS, INC. AND UNITY HOUSING, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
JUNE 30, 2009

**ASSETS:**

Cash and cash equivalents	\$ 320,740
Grant receivables	3,279,366
Other receivables	2,430
Prepaid expenses and deposits	11,826
Property, building, and equipment, net	<u>2,850,247</u>
 Total assets	 <u>\$ 6,464,609</u>

**LIABILITIES:**

Note payable	\$ 235,565
Accounts payable and accrued liabilities	140,205
Deferred revenue	111,500
Payments due to subrecipients	<u>2,420,593</u>
 Total liabilities	 <u>2,907,863</u>

**NET ASSETS:**

Unrestricted	3,209,718
Temporarily restricted	<u>347,028</u>
 Total net assets	 <u>3,556,746</u>
 Total liabilities and net assets	 <u>\$ 6,464,609</u>

**See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**UNITY OF GREATER NEW ORLEANS, INC. AND UNITY HOUSING, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Unrestricted	Temporarily Restricted	Total
<b><u>REVENUE:</u></b>			
Grants	\$ 14,787,801	\$ -	\$ 14,787,801
Contributions	59,247	457,372	516,619
Investment income	1,120	-	1,120
Other revenue	253,341	-	253,341
Net assets released from restrictions	586,210	(586,210)	-
	<u>15,687,719</u>	<u>(128,838)</u>	<u>15,558,881</u>
<b><u>EXPENSES:</u></b>			
Salaries	1,428,783	-	1,428,783
Fringe benefits	476,042	-	476,042
Conferences, conventions and meetings	87,917	-	87,917
Contracts - subrecipients	11,611,274	-	11,611,274
Equipment expense	24,413	-	24,413
Interest expense	20,672	-	20,672
Client assistance	1,384,000	-	1,384,000
Miscellaneous	80,042	-	80,042
Occupancy	422,398	-	422,398
Printing	6,388	-	6,388
Professional fees	125,680	-	125,680
Supplies	94,798	-	94,798
Repairs & maintenance	50,374	-	50,374
Telephone	30,274	-	30,274
Depreciation	127,203	-	127,203
	<u>15,970,258</u>	<u>-</u>	<u>15,970,258</u>
(Decrease) in net assets	(282,539)	(128,838)	(411,377)
Net assets, beginning of year	3,492,257	475,866	3,968,123
Net assets, end of year	<u>\$ 3,209,718</u>	<u>\$ 347,028</u>	<u>\$ 3,556,746</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**UNITY OF GREATER NEW ORLEANS, INC. AND UNITY HOUSING, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:**

Change in net assets	\$ (411,377)
Adjustments to reconcile change in net assets to net cash from (used in) operating activities:	
Depreciation	127,203
(Increase) decrease in:	
Grant receivables	(702,871)
Other receivables	4,020
Increase (decrease) in:	
Accounts payable and accrued liabilities	60,675
Deferred revenue	90,974
Payments due to subrecipients	<u>502,818</u>
Net cash (used in) operating activities	<u>(328,558)</u>

**CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:**

Principal payments on note payable	<u>(18,656)</u>
Net cash (used in) financing activities	<u>(18,656)</u>
Net (decrease) in cash and cash equivalents	(347,214)
Cash and cash equivalents at beginning of year	<u>667,954</u>
Cash and cash equivalents at end of year	<u><u>\$ 320,740</u></u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**UNITY OF GREATER NEW ORLEANS, INC. AND UNITY HOUSING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

UNITY of Greater New Orleans, Inc. (UNITY) is a nonprofit corporation organized under the laws of the State of Louisiana. UNITY's mission is to coordinate partnerships to reduce, end and prevent homelessness.

Its affiliate, UNITY Housing, Inc. (Housing, Inc.) is a nonprofit corporation organized under the laws of the State of Louisiana. UNITY Housing, Inc. was formed to develop and preserve housing through construction, rehabilitation and acquisition for very low, low, and moderate income individuals and families.

**Consolidated Financial Statements**

The consolidated financial statements include the accounts of UNITY and its affiliate, Housing, Inc. (the Corporations). All significant intercompany balances and transactions are eliminated.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Corporations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

**Revenue Recognition**

Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as *net assets released from restrictions*.

Grant revenue is recognized as it is earned in accordance with approved contracts.

**UNITY OF GREATER NEW ORLEANS, INC. AND UNITY HOUSING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2009**

**(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Services**

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Corporations. No amounts have been reflected in the consolidated financial statements for donated services. However, volunteers provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

**Receivables**

The Corporations consider receivables to be collectible since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

**Property, Building, and Equipment**

The Corporations record property acquisitions at cost. Donated assets are recorded at estimated value at date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2009 totaled \$127,203.

It is the policy of the Corporations to capitalize all property, building, and equipment with an acquisition cost in excess of \$5,000.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the consolidated statement of cash flows, the Corporations consider all demand deposits and all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**UNITY OF GREATER NEW ORLEANS, INC. AND UNITY HOUSING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2009**

**(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Values of Financial Instruments**

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short term maturities of those instruments. The fair values of marketable securities are based on quoted market prices for those or similar investments.

**Date of Management Review**

Management has evaluated subsequent events through December 3, 2009 the date which the financial statements were available to be issued.

**(2) RESTRICTED CASH**

Included in cash and cash equivalents on the accompanying consolidated statement of financial position are cash balances totaling \$311,240 that are ear-marked and temporarily restricted by the donors.

**(3) GRANT RECEIVABLES**

Grant receivables at June 30, 2009 consist of the following:

City of New Orleans	\$ 113,280
State of Louisiana	437,536
U.S. Department of Housing and Urban Development	<u>2,728,550</u>
	<u>\$ 3,279,366</u>

**(4) PROPERTY, BUILDING AND EQUIPMENT, NET**

Property, building, and equipment at June 30, 2009 consist of the following:

Building	\$ 3,294,562
Building improvements	439,840
Transportation equipment	55,731
Equipment	<u>31,558</u>
Depreciable building and equipment	3,821,691
Less: accumulated depreciation	<u>(1,063,972)</u>
Depreciable building and equipment, net	2,757,719
Land	<u>92,528</u>
Property, building, and equipment, net	<u>\$ 2,850,247</u>

**UNITY OF GREATER NEW ORLEANS, INC. AND UNITY HOUSING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2009**

**(5) NOTE PAYABLE**

Note payable at June 30, 2009 consists of the following:

Note payable to bank (a related party), due September, 2018 with an 6.863% interest rate. Monthly payments of \$3,058, including interest. \$ 235,565

This note payable is collateralized by land and building with an original cost basis of \$1,114,460.

The interest expense incurred on this note for the year ending June 30, 2009 totaled \$18,038.

The aggregate maturities of the note payable consist of the following:

<u>Year ending June 30, _____</u>	
2010	\$ 20,961
2011	22,467
2012	24,047
2013	25,809
2014	27,663
Thereafter	<u>114,618</u>
	<u>\$ 235,565</u>

**(6) REVOLVING LINE OF CREDIT**

UNITY has an available revolving line of credit in the amount of \$350,000 that it utilizes for working capital needs throughout the year. No amount was outstanding at June 30, 2009. Interest on outstanding balance accrues at a rate equal to the J.P. Morgan Chase Prime Rate, currently 6.00% and is payable monthly. The credit line matures on March 12, 2010, at which time any outstanding principal and accrued interest are payable in full. Total interest paid on the line of credit was \$2,542 for the year ended June 30, 2009.

**(7) LEASE COMMITMENTS**

UNITY leases its administrative facility under three operating leases, one for each unit. The first expires October 31, 2010 and the monthly rental amount is \$2,700. As of November 1, 2009 the monthly rental amount increased to \$2,750. The second lease expires December 1, 2009 and the monthly rental amount is \$485. The third lease begins July 1, 2009 and expires October 31, 2010. The monthly rental amount is \$1,241. In addition, UNITY leases office space under an operating lease which expires September 25, 2012. The rental expense for the year ended June 30, 2009 totaled \$39,883.

**UNITY OF GREATER NEW ORLEANS, INC. AND UNITY HOUSING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2009**

**(7) LEASE COMMITMENTS (CONTINUED)**

Minimum future rentals are as follows:

<u>Year ending June 30,</u>	
2010	\$ 73,327
2011	38,764
2012	22,800
2013	<u>5,700</u>
	<u><b>\$ 140,591</b></u>

**(8) NET ASSETS - TEMPORARILY RESTRICTED**

As of June 30, 2009, the temporarily restricted net assets are available for the following purposes:

Baronne Street Building	\$ 98,206
Salaries, taxes and benefits	36,530
Rebuilding	31,959
Fundraising	<u>180,333</u>
	<u><b>\$ 347,028</b></u>

**(9) INVESTMENT RETURN**

Investment return for the year ended June 30, 2009 consists of interest income totaling \$1,120.

**(10) FUNCTIONAL EXPENSES**

Expenses by function for the year ended June 30, 2009 were as follows:

Program services	\$ 15,236,878
Supporting services:	
General and administrative	524,527
Fundraising	81,650
Depreciation	<u>127,203</u>
	<u><b>\$ 15,970,258</b></u>

**UNITY OF GREATER NEW ORLEANS, INC. AND UNITY HOUSING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2009**

**(11) INCOME TAXES**

The Corporations are exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code and have been classified as organizations other than a private foundation under Section 509(a)(2).

**(12) CASH FLOW INFORMATION**

Supplemental cash flow information for the year ended June 30, 2009 consists of the following:

Interest paid	<u>\$ 20.672</u>
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**(13) RELATED PARTY TRANSACTIONS**

Various UNITY directors are employed by agencies that receive funds from UNITY as subrecipients.

The note payable detailed in Note 5 above with an outstanding amount of \$235,565 at June 30, 2009 is from a financial institution that employs a UNITY director in an executive capacity.

**(14) CONCENTRATIONS OF CREDIT RISKS**

The Corporations maintain their cash in bank deposit accounts at various financial institutions. The balances at times may exceed federally insured limits. At June 30, 2009, the balances exceeded the insured limit by \$246,228.

**(15) PENSION PLAN**

UNITY sponsors a defined contribution pension plan covering all employees twenty-one years or older who have worked a minimum of six months. UNITY decides the amount, if anything, to contribute each year to the individual retirement accounts for the eligible employees based on a percentage of annual compensation. The percentage, determined by the Board of Directors, was 5% or which totaled \$61,867 for the year ended June 30, 2009.

**(16) BOARD OF DIRECTORS COMPENSATION**

The Board of Directors is a voluntary board; therefore no compensation was paid to any board member during the year ended June 30, 2009.

**UNITY OF GREATER NEW ORLEANS, INC. AND UNITY HOUSING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2009**

**(17) FEDERALLY ASSISTED PROGRAMS**

The Corporations participate in a number of federally assisted programs. UNITY's programs are audited in accordance with the *Single Audit Act*. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for future examinations. The Corporations' management believes that future examinations would not result in any significant disallowed costs.

**(18) ECONOMIC DEPENDENCY**

UNITY receives the majority of its revenue from funds provided through grants from the U.S. Department of Housing and Urban Development, the City of New Orleans, State of Louisiana and the Social Security Administration. The grant amounts are appropriated each year by the federal government. If significant budget cuts are made at the federal level, the amount of the funds the Corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the Corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the Corporation will receive in the next fiscal year. The Corporation's support through federal grants totaled 92% for the year ended June 30, 2009.

## **SUPPLEMENTARY INFORMATION**

**UNITY OF GREATER NEW ORLEANS, INC. AND UNITY HOUSING, INC.**  
**CONSOLIDATING STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	UNITY of Greater New Orleans, Inc.	UNITY Housing, Inc.	Eliminations	Total
<b><u>REVENUE:</u></b>				
Grants	\$ 14,787,801	\$ 347,327	\$ (347,327)	\$ 14,787,801
Contributions	516,464	155	-	516,619
Investment income	1,120	-	-	1,120
Other revenues	253,341	-	-	253,341
	<u>15,558,726</u>	<u>347,482</u>	<u>(347,327)</u>	<u>15,558,881</u>
<b><u>EXPENSES:</u></b>				
Salaries	1,428,783	-	-	1,428,783
Fringe benefits	476,042	-	-	476,042
Conferences, conventions and meetings	87,917	-	-	87,917
Contracts - subrecipients	11,958,601	-	(347,327)	11,611,274
Equipment expense	4,431	19,982	-	24,413
Interest expense	20,672	-	-	20,672
Client assistance	1,384,000	-	-	1,384,000
Miscellaneous	26,866	53,176	-	80,042
Occupancy	172,706	249,692	-	422,398
Printing	6,388	-	-	6,388
Professional fees	124,412	1,268	-	125,680
Supplies	67,470	27,328	-	94,798
Repairs and maintenance	50,374	-	-	50,374
Telephone	22,537	7,737	-	30,274
Depreciation	56,350	70,853	-	127,203
	<u>15,887,549</u>	<u>430,036</u>	<u>(347,327)</u>	<u>15,970,258</u>
Decrease in net assets	(328,823)	(82,554)	-	(411,377)
Net assets, beginning of year	<u>1,899,765</u>	<u>2,068,358</u>	<u>-</u>	<u>3,968,123</u>
Net assets, end of year	<u>\$ 1,570,942</u>	<u>\$ 1,985,804</u>	<u>\$ -</u>	<u>\$ 3,556,746</u>

(See Auditors' Report)

**UNITY OF GREATER NEW ORLEANS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Grantor's Number</u>	<u>Federal Disbursements/ Expenditures</u>	<u>Subrecipient Costs</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Supportive Housing Program	14.235	various	\$ 8,036,995 *	\$ 6,733,757
Housing Opportunities for People with AIDS	14.241	LA H040011	288,224	280,907
Community Development Block Grants				
Economic Development Initiative	14.246	645208	13,873	-
Homeless Prevention Rapid Rehousing	14.228	657462	3,328,123 *	3,279,853
Shelter Repair	14.228	655811	1,137,491 *	448,556
Entitlement Grant - Duncan Plaza	14.218	LA4B-60-3025	95,130	-
Funds passed through State of Louisiana:				
Department of Health and Hospitals:				
Shelter Plus Care	14.238	LA48C-60-3040	837,018 *	690,536
Funds passed through City of New Orleans:				
Shelter Plus Care	14.238	SPC-003 (6)	551,375 *	-
Total U.S. Department of Housing and Urban Development			<u>14,288,229</u>	<u>11,433,609</u>
<b><u>U.S. Social Security Administration</u></b>				
Social Security Research and Demonstration				
SSI Homeless Outreach Project of Greater New Orleans	96.007	18H400176	6,937	6,937
Total Social Security Administration			<u>6,937</u>	<u>6,937</u>
Total Federal Awards			<u>\$ 14,295,166</u>	<u>\$ 11,440,546</u>

\* Major Program

Note: The schedule of expenditures of federal awards is a summary of the activity of UNITY of Greater New Orleans, Inc.'s federal award programs presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**See Auditors' Report**

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

# ERICKSEN KRENTEL & LA PORTE L.L.P.

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\*PROFESSIONAL CORPORATION  
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BENJAMIN J. ERICKSEN - RETIRED  
J.V. LEGLERE KRENTEL - RETIRED

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Governing Board of  
UNITY of Greater New Orleans, Inc.  
New Orleans, Louisiana

We have audited the financial statements of UNITY of Greater New Orleans, Inc. (a nonprofit corporation), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 3, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered UNITY of Greater New Orleans Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UNITY of Greater New Orleans Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the corporation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the corporation's financial statements that is more than inconsequential will not be prevented or detected by the corporation's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the corporation's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any significant deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Governing Board of  
UNITY of Greater New Orleans Inc.  
December 3, 2009  
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UNITY of Greater New Orleans Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the entity, the governing board and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 3, 2009

*Erickson, Krentel & LaPorte LLP*

Certified Public Accountants

## **SINGLE AUDIT SECTION**

# ERICKSEN KRENTEL & LA PORTE L.L.P.

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BENJAMIN J. ERICKSEN - RETIRED  
J.V. LEGLERE KRENTEL - RETIRED

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Governing Board of  
UNITY of Greater New Orleans Inc.  
New Orleans, Louisiana

### Compliance

We have audited the compliance of UNITY of Greater New Orleans Inc., (a nonprofit corporation) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. UNITY of Greater New Orleans Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of UNITY of Greater New Orleans Inc.'s management. Our responsibility is to express an opinion on UNITY of Greater New Orleans Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about UNITY of Greater New Orleans Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of UNITY of Greater New Orleans Inc.'s compliance with those requirements.

In our opinion, UNITY of Greater New Orleans Inc., complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

To the Governing Board of  
UNITY of Greater New Orleans Inc.  
December 3, 2009

**Internal Control Over Compliance**

The management of UNITY of Greater New Orleans Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered UNITY of Greater New Orleans Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of UNITY of Greater New Orleans Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, the governing board, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 3, 2009

*Erickson, Krentel & LaPorte LLP*

Certified Public Accountants

**UNITY OF GREATER NEW ORLEANS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**A. SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of UNITY of Greater New Orleans, Inc.
2. No significant deficiencies in internal control were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of UNITY of Greater New Orleans, Inc. were disclosed during the audit.
4. No significant deficiencies in internal control over major programs were disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs for UNITY of Greater New Orleans, Inc. expresses an unqualified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of *OMB Circular A-133*.
7. The programs tested as a major programs included:

Supportive Housing Program CFDA 14.235  
Community Development Block Grants CFDA 14.228  
Shelter Plus Care CFDA 14.238
8. The threshold for distinguishing Types A and B programs was \$428,855
9. UNITY of Greater New Orleans, Inc. did not qualify as a low-risk auditee.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

NONE

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

NONE